MEETING DATE: **September 12, 2011**

AGENDA ITEM: **Adopt a Resolution Approving the Issuance of Tax Exempt Bonds by California Municipal Finance Authority for The HELP Group to Refund Existing Debt.**

ATTACHMENTS

RESOLUTION NO. 2011-R ______

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CULVER CITY, CALIFORNIA, APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY INSURED REVENUE BONDS (THE HELP GROUP), SERIES 2011, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $26,000,000, FOR THE PURPOSE OF FINANCING AND REFINANCING FACILITIES FOR NEW SCHOOL FOR CHILD DEVELOPMENT, PROJECT SIX, SUMMIT VIEW SCHOOL, THE HELP GROUP CHILD AND FAMILY CENTER AND THE HELP GROUP WEST (COLLECTIVELY DOING BUSINESS AS THE HELP GROUP) AND CERTAIN OTHER MATTERS RELATING THERETO.

WHEREAS, pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), certain public agencies (the "Members") have entered into a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, effective as of January 1, 2004 (the "Agreement"), in order to form the California Municipal Finance Authority (the "Authority"), for the purpose of promoting economic, cultural and community development, and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness; and

WHEREAS, the City of Culver City is a member of the Authority; and

WHEREAS, the Authority is authorized to issue and sell revenue bonds for the purpose, among others, of financing or refinancing the construction of capital projects; and

WHEREAS, New School for Child Development, Project Six, Summit View School, The Help Group Child and Family Center and The Help Group West (collectively doing business as The Help Group), each a nonprofit, public benefit corporation organized and existing under the laws of the State of California and an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 (collectively, the "Corporations"), have requested the Authority to issue one or more series of revenue bonds in an aggregate principal amount not to exceed $26,000,000 (the "Bonds") to:

(a) provide for the current refunding of the outstanding the outstanding California Health Facilities Financing Authority Insured Health Facility Revenue Bonds (The H.E.L.P. Group), 1998 Series A, the proceeds of which were used to:

(i) refinance obligations incurred by the New School for Child Development and Project Six relating to the acquisition of the following facilities: (A) Corwin Group Home, 10055 Mason Avenue, Chatsworth, CA; (B) Lomita Group Home, 325 North Lomita, Burbank, CA; (C) Meyer Group Home, 1447 North Meyer Street, Burbank, CA; (D) Apartment Building I, 13110 Burbank Boulevard, Van Nuys, CA; (E) Apartment Building II, 13116 Burbank Boulevard, Van Nuys, CA; (F) Apartment Building III, 13120 Burbank Boulevard, Van Nuys, CA; (G) Apartment Buildings IV and V, 13100-06 Burbank Boulevard, Van Nuys, CA; (H) 5529 Ethel Avenue, Sherman Oaks, CA; (I) 5533 Ethel Avenue, Sherman Oaks, CA; and (J) 5543 Ethel Avenue, Sherman Oaks, CA,

(ii) acquire and renovate four buildings on approximately 2.4 acres of land at 6421-6455 Coldwater Canyon Avenue, Los Angeles (North Hollywood), CA, to accommodate special education and therapeutic facilities for children and adolescents with learning disabilities and related special needs, including classrooms, therapy offices and general administrative offices, to be owned and operated by Summit View School, and

(iii) refund the California Health Facilities Financing Authority Insured Health Facility Revenue Bonds (The H.E.L.P. Group), 1991 Series A, dated as of August 1, 1991, issued to finance the following projects: (A) construction of a two-story, approximately 24,000 square foot building, located at 13130 Burbank Boulevard, Sherman Oaks, CA, to house classrooms, therapy offices, and administrative offices, (B) remodeling of the existing main facility for school, therapy and/or administrative facilities, located at 13130 Burbank Boulevard, Sherman Oaks, CA, and (C) construction of an approximately

16,000 square feet school, therapy/administrative facility and a 6,000-plus square foot multi-purpose center, parking and storage facilities, located at 13130 Burbank Boulevard, Sherman Oaks, CA; and

(b) provide for the current refunding of the outstanding California Health Facilities Financing Authority Insured Health Facility Revenue Bonds (The H.E.L.P. Group), 2000 Series A, the proceeds of which were used to:

(i) acquire and renovate an approximately 61,000 square foot hospital located at 12101 Washington Boulevard, Culver City, California,

(ii) acquire and renovate an approximately 23,000 square foot medical building located at 12099 Washington Boulevard, Culver City, California,

(iii) acquire and renovate an approximately 20,100 square foot medical arts/pharmacy located at 12095 Washington Boulevard, Culver City, California, and

(iv) acquire and renovate an approximately 4,000 square foot strip center located at 12163 Washington Boulevard, Culver City, California;

All facilities are owned by the Corporations and used in connection with their non-public schools and mental health centers for children with learning disabilities.

WHEREAS, in order for the interest on the Bonds to be tax-exempt, section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires that an "applicable elected representative" of the governmental unit, the geographic jurisdiction of which contains the site of facilities to be financed with the proceeds of the Bonds, hold a public hearing on the issuance of the Bonds and approve the issuance of the Bonds following such hearing; and

WHEREAS, the Authority has determined that the City Council is an "applicable elected representative" for purposes of holding such hearing; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Agreement; and

WHEREAS, notice of such public hearing has been duly given as required by the Code, and this City Council has heretofore held such public hearing at which all interested persons were given an opportunity to be heard on all matters relative to the financing or refinancing of the Project and the Authority's issuance of the Bonds therefore; and

WHEREAS, it is in the public interest and for the public benefit that the City Council approves the issuance of the Bonds by the Authority for the aforesaid purposes.

NOW, THEREFORE, the City Council of the City of Culver City, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the City Council that this Resolution constitute approval of the issuance of the Bonds (a) by the "applicable elected representative" of the governmental unit having jurisdiction over the area in which the Project is located in accordance with Section 147(f) of the Code and (b) by the City Council in accordance with Section 4 of the Agreement.

SECTION 2. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds.

SECTION 3. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, rehabilitation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

SECTION 4. The City Manager, or his or her designee, is hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

SECTION 5. The City Clerk shall forward a certified copy of this Resolution and an originally executed Agreement to the Authority in care of its counsel:

Harriet M. Welch, Esq.
Squire, Sanders & Dempsey LLP.
555 South Flower St., Suite 3100
Los Angeles, CA 90071-2300

SECTION 6. The City Clerk shall forward a certified copy of this Resolution to:

Brian D. Quint, Esq.
Quint & Thimmig LLP
575 Market Street, Suite 3600
San Francisco, CA 94105-2874

SECTION 7. This resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED this ____ day of _______ 2011.

____
MICHEÁL O'LEARY, Mayor
City of Culver City, California

ATTEST:

____
MARTIN R. COLE, City Clerk

A11-00590

APPROVED AS TO FORM:

____
for CAROL A. SCHWAB, City Attorney

EXHIBIT A

NOTICE OF PUBLIC HEARING

PUBLIC NOTICE IS HEREBY GIVEN that on Monday, September 12, 2011, at or about 7:00 P.M., a public hearing will be held as required by section 147(f) of the Internal Revenue Code of 1986, by the City Council of the City of Culver City, California (the "City"), in the Mike Balkman Council Chambers, 9770 Culver Boulevard, Culver City, California, with respect to the proposed issuance by the California Municipal Finance Authority of revenue bonds in an amount not to exceed $26,000,000 (the "Bonds") relating to the financing and refinancing of projects for New School for Child Development, Project Six, Summit View School, The Help Group Child and Family Center and The Help Group West (collectively doing business as The Help Group) (the "Corporations").

The Bonds will be issued in part to:

(a) provide for the current refunding of the outstanding the outstanding California Health Facilities Financing Authority Insured Health Facility Revenue Bonds (The H.E.L.P. Group), 1998 Series A, the proceeds of which were used to:

(i) refinance obligations incurred by the New School for Child Development and Project Six relating to the acquisition of the following facilities: (A) Corwin Group Home, 10055 Mason Avenue, Chatsworth, CA; (B) Lomita Group Home, 325 North Lomita, Burbank, CA; (C) Meyer Group Home, 1447 North Meyer Street, Burbank, CA; (D) Apartment Building I, 13110 Burbank Boulevard, Van Nuys, CA; (E) Apartment Building II, 13116 Burbank Boulevard, Van Nuys, CA; (F) Apartment Building III, 13120 Burbank Boulevard, Van Nuys, CA; (G) Apartment Buildings IV and V, 13100-06 Burbank Boulevard, Van Nuys, CA; (H) 5529 Ethel Avenue, Sherman Oaks, CA; (I) 5533 Ethel Avenue, Sherman Oaks, CA; and (J) 5543 Ethel Avenue, Sherman Oaks, CA,

(ii) acquire and renovate four buildings on approximately 2.4 acres of land at 6421-6455 Coldwater Canyon Avenue, Los Angeles (North Hollywood), CA, to accommodate special education and therapeutic facilities for children and adolescents with learning disabilities and related special needs, including classrooms, therapy offices and general administrative offices, to be owned and operated by Summit View School, and

(iii) refund the California Health Facilities Financing Authority Insured Health Facility Revenue Bonds (The H.E.L.P. Group), 1991 Series A, dated as of August 1, 1991, issued to finance the following projects: (A) construction of a two-story, approximately 24,000 square foot building, located at 13130 Burbank Boulevard, Sherman Oaks, CA, to house classrooms, therapy offices, and administrative offices, (B) remodeling of the existing main facility for school, therapy and/or administrative facilities, located at 13130 Burbank Boulevard, Sherman Oaks, CA, and (C) construction of an approximately 16,000 square feet school, therapy/administrative facility and a 6,000-plus square foot multi-purpose center, parking and storage facilities, located at 13130 Burbank Boulevard, Sherman Oaks, CA; and

(b) provide for the current refunding of the outstanding California Health Facilities Financing Authority Insured Health Facility Revenue Bonds (The H.E.L.P. Group), 2000 Series A, the proceeds of which were used to:

(i) acquire and renovate an approximately 61,000 square foot hospital located at 12101 Washington Boulevard, Culver City, California,

(ii) acquire and renovate an approximately 23,000 square foot medical building located at 12099 Washington Boulevard, Culver City, California,

(iii) acquire and renovate an approximately 20,100 square foot medical arts/pharmacy located at 12095 Washington Boulevard, Culver City, California, and

(iv) acquire and renovate an approximately 4,000 square foot strip center located at 12163 Washington Boulevard, Culver City, California.

All facilities are owned by the Corporations and used in connection with their non-public schools and mental health centers for children with learning disabilities.

The Bonds will not be deemed to constitute a debt or liability of the City, the State of California (the "State") or any political subdivision thereof, other than the Authority, but will be payable solely from the funds provided therefor. The Authority will not be obligated to pay the principal of the Bonds, or the redemption premium, if any, or interest thereon, except from funds provided from loan repayments by the Corporations. Neither the faith and credit nor taxing power of the City, the State or any political subdivision thereof, including the Authority, will be pledged to the payment of the principal or redemption premium, if any, or interest on the Bonds. The issuance of the Bonds will not directly, indirectly or contingently obligate the City, the State or any political subdivision thereof to levy or to pledge any form of taxation or to make any appropriation for their payment. The Authority has no taxing power.

Those wishing to comment on the proposed financing and the nature and location of the Projects may either appear in person at the public hearing or submit written comments, which must be received by the City prior to the hearing. Additional information concerning the above matter and written comments should be sent to the Office of the City Clerk, City of Culver City, City of Culver City, City Hall, 9770 Culver Boulevard, Culver City, CA. 90232; Phone: (310)253-5851; Fax: (310) 253-5380; or via the City's website, www.culvercity.org.

The City is conducting the public hearing as an accommodation to the Corporations. The City will not be the issuer of the Bonds and takes no responsibility for the Bond financing.

Date: August 25, 2011